

SHAREHOLDER ALERT: Law Offices of Timothy L. Miles Announces BlueCity Holdings Limited Sued for Misleading Investors

SHAREHOLDER ALERT: The Law Offices of Timothy L. Miles Announces That BlueCity Holdings Limited (BLCT) is Being Sued for Misleading Shareholders

HENDERSONVILLE, TN, UNITED STATES, May 9, 2021 /EINPresswire.com/ -- The Law Offices of [Timothy L. Miles](#), who has been leading the fight to protect shareholder rights for over 20 years, that a purchaser of BlueCity Holdings Limited American depository shares (NASDAQ: BLCT) filed a class action complaint against the Company and its officers and directors for alleged violations of the Securities Act of 1933

pursuant to the Company's July 8, 2020 initial public offering ("IPO"). BlueCity operates a platform for the LGBTQ community primarily under the BlueCity brand in China, India, Korea, Thailand, and Vietnam. The platform provides products and services, including social and entertainment, online health consulting and online pharmacy, and assisted reproductive technology.

“

We fight everyday, as we have the last 20 yrs, to protect shareholder rights, enhance shareholder protections, recover losses for defrauded investors, and seek reform through enhanced governance”

Timothy L. Miles

If you suffered a loss due to BlueCity Holdings Limited's misconduct, [click here](#).

BlueCity Holdings Limited (BLCT) Misled Investors Regarding the Company's Capability for Sustainable Growth

According to the complaint, BlueCity conducted its IPO on July 8, 2020, issuing 5.3 million shares of the Company's

American depository shares ("ADSs") at \$16.00 per share. The Offering Documents prepared in

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LAW OFFICES OF
Timothy L. Miles
Protecting Shareholder Rights

PHONE: (855) 846-6526
Email: tmiles@timmileslaw.com

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connection with the IPO purportedly contained untrue statements of material fact and were not prepared in accordance with applicable rules. Specifically, the Offering Documents represented that BlueCity has "invested significant resources to ... ensure the sustainable growth of [its] platform," that the Company has "a highly-scalable, cloud-based technology infrastructure to ensure the sustainable growth of [its] platform," and that "[t]alent development is fundamental to [BlueCity's] sustainable growth."

These statements were false or misleading and failed to disclose that: (i) defendants had overstated BlueCity's business and financial prospects; (ii) the Company was ill-equipped to absorb the costs of becoming a publicly traded company, including IPO- and growth-related costs; and (iii) therefore, defendants had misrepresented the Company's capability for sustainable growth.

On December 2, 2020, BlueCity announced its unaudited financial and operating results for the third quarter of the Company's fiscal year 2020. BlueCity reported that the Company's cost of revenues had increased 41.3% year-over-year, selling and marketing expenses had increased 86.3% year-over-year, technology and

development expenses had increased 49.5% year-over-year, and general and administrative expenses had increased 4349% year-over-year. BlueCity attributed these increased costs to the growth of revenue-sharing costs, expenses related to the IPO, and increased advertising and promotion expenses and staff costs, among other things. On this news, the price of BlueCity ADSs fell \$3.30 per share, or almost 23%, to close at \$11.15 per ADS on December 2, 2020.



Nationally Recognized Shareholder Rights Attorney Timothy L. Miles

TIMOTHY L. MILES, ESQ.

Top Ranked Lawyer
Martindale-Hubbell® and ALM (2019-2020)

Top Ranked Litigator
Martindale-Hubbell® and ALM (2019-2020)

Elite Lawyer of the South
Martindale-Hubbell® and ALM (2019-2020)



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Then, on March 23, 2021, BlueCity announced its results for the fourth quarter 2020. BlueCity announced revenue of \$42.7 million, which missed consensus estimates by \$3.92 million. The Company also reported that its cost of revenues had increased 29% year-over-year, selling and marketing expenses increased 56.7% year-over-year, technology and development expenses increased 9.0% year-over-year, and general and administrative expenses had increased 345.5% year-over-year. On this news, BlueCity ADSs fell \$3.25 per share, or almost 27%, over the following two trading sessions, to close at \$8.92 per ADS on March 24, 2021.

BlueCity Investors Urged to Contact the Firm

If you purchased shares of BlueCity Holdings Limited American depository shares, have information, or have any questions concerning this announcement or your rights or interests with respect to these matters, please contact Timothy L. Miles, Esquire, at 615-587-7384, Toll-Free at 855-846-6529, or by email to tmiles@timmileslaw.com. If you inquire by email please include your mailing address, telephone number, and the number shares owned.

About Timothy L. Miles

Timothy L. Miles is a nationally recognized shareholder rights attorney raised in Nashville, Tennessee. Last year, Mr Miles was recognized as a 2020 Top Ranked Lawyer; 2020 Top Rated Litigator; and a 2020 Elite Lawyer of The South by Martindale-Hubbell® and ALM. Mr. Miles also maintains the AV Preeminent Rating by Martindale-Hubbell®, their highest rating for both legal ability and ethics. Mr. Miles is a member of the prestigious Top 100 Civil Plaintiff Trial Lawyers: The National Trial Lawyers Association, a superb rated attorney by Avvo, a recipient of the Lifetime Achievement Award by Premier Lawyers of America (2019) and recognized as a Distinguished Lawyer, Recognizing Excellence in Securities Law, by Lawyers of Distinction (2019). Awards: Top Rated Litigator by Martindale-Hubbell® and ALM (2019-2021); Top Rated Lawyer by Martindale-Hubbell® and ALM (2019-2021); Elite Lawyer of The South by Martindale-Hubbell® and ALM (2019-2020); Member of the Top 100 Civil Plaintiff Trial Lawyers: The National Trial Lawyers Association (2017-2019); AV® Preeminent™ Rating by Martindale-Hubbell® (2014-2020); PRR AV Preeminent Rating on Lawyers.com (2018-2020); The Top-Rated Lawyer in Litigation™ for Ethical Standards and Legal Ability (Martindale-Hubbell® 2015); Lifetime Achievement Award by Premier Lawyers of America (2019); Distinguished Lawyer, Recognizing Excellence in Securities Law, by Lawyers of Distinction (2019-2020); Superb Rated Attorney (Avvo); Avvo Top Rated Lawyer for (Avvo 2017-2020). Mr. Miles has authored numerous publications advocating for



Top Rated Lawyers In Tennessee
(2020): Timothy L. Miles, Esq.

shareholdings including most recently: Free Portfolio Monitoring Services Offered by Plaintiff Securities Firms Provides Significant Benefits to Investors (Timothy L. Miles, Dec. 3, 2019).

Contact:

Timothy L. Miles, Esq.

Law Offices of Timothy L. Miles

141 Saundersville Road, #2202

Hendersonville, TN 37075

Telephone: (855-846-6529)

Email: tmiles@timmileslaw.com

Website: www.timmileslaw.com

Leading the Fight to Protect Shareholder Rights for Over 19 Years

Timothy Lee. Miles

Law Offices Of Timothy L. Miles

+1 6155877384

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